



Garnishment Formula for Wage Levy

Federal Consumer Credit Protection Act, Title III (15 USC Sections 1671-1677), and Montana Statue (MCA 25-13-6514) provides exemptions from garnishment.

Definitions:

- A. "Earnings": Compensation for personal services, whether called wages, salary, commissions, or bonuses, and payments to pension or retirement program.
- B. "Disposable Income": Earnings remaining after (tax) deductions required by law (Federal and State taxes, FICA, etc.)
- C. "Garnishment": Any legal or equitable procedure by which the earnings of an individual are required to be withheld for payment of a debt.

Computation of Garnishment Amount

The maximum amount to be garnished is the **LESSER** of:

- a. 25% of disposable income for each pay period, **OR**
- b. The amount of disposable earnings for that pay period which exceeds 30 times the federal minimum hourly wage (currently \$5.85 per hour). 29 USC Sec. 206(a)(1).

1. _____ Enter total earnings
- (-) _____ Deduct federal withholding
- (-) _____ Deduct state withholding
- (-) _____ Deduct FICA
2. (=) _____ Disposable earnings
3. _____ Enter 25%(.025) of line 2
- (-) _____ Existing levies (include child support and IRS levies)
4. _____ 25% of disposable earnings less any existing levies
5. _____ Disposable earnings from line 2
6. (-) _____ Deduct exempt earnings (please use drop down option)
Use: (\$0.00 if no wages)
(\$175.50 if paid weekly)
(\$351.00 if paid bi-weekly)
(\$380.25 if paid semi-monthly)
(\$760.50 if paid monthly)
(\$2,281.50 if paid quarterly)
7. _____

Please remit to the Department of Revenue whichever is LESS—line 4 or line 7 for each pay period. If either line 4 or line 7 are zero or less, no funds should be taken. Please print and return this form with a note of explanation.

Please print a copy for your records and include a copy of the completed form with your remittance.

Name: _____

ID#: _____